

The PRESIDING OFFICER. Without objection, it is so ordered.

FHA EMERGENCY FISCAL SOLVENCY ACT

Mr. BROWN of Ohio. Mr. President, on Sunday, we confirmed Carol Galante as the new Commissioner of the Federal Housing Administration, FHA. I want to thank my 19 Republican colleagues who supported her nomination. It was an important step forward for FHA. I give a special thanks to Senator CORKER for his work, my colleague on the Senate Banking Committee.

My Democratic colleagues and I have cleared an important commonsense piece of legislation on our side. It was passed overwhelmingly in the House. But we have received little cooperation from some of our Republican colleagues because it does not include everything they want.

It is clear that FHA's Mutual Mortgage Insurance Fund is facing significant financial issues. Two years ago, Senator BEGICH and I introduced an FHA reform bill. For a time we collaborated with Senator VITTER from Louisiana, who has worked with me on legislation with the GAO and other things, and with Senator ISAKSON on that effort, so I know many of my Republican colleagues are committed to these issues. Unfortunately, some of their conservative colleagues blocked the legislation that would have given FHA additional authority to protect taxpayers.

We should not wait any longer. This is technically the last full day of this Congress. We should not wait any longer to enact sensible measures that will put FHA back on a path to financial stability.

With limited time remaining in the legislative session, passing the House's FHA reform legislation, H.R. 4264, is a necessary and responsible step to give FHA additional authority to protect taxpayers. Passing this bill will not prevent us from doing more next session. That is what I want to do. I think most Members in both parties in the Banking Committee want to do that. I expect we will consider reforms very soon.

In the meantime, though, we should pass this commonsense, bipartisan reform measure. As I mentioned, it passed the House of Representatives by a margin of 402 to 7. So it has support all across the political spectrum, from people of all views and philosophies and ideologies. Unfortunately, a small number of people continue to stand in the way of these taxpayer protections.

I do not plan to ask unanimous consent today. I would like to do that; I will not do that. I am hopeful that those who oppose this might be willing to come to the floor and discuss this and see if we can move this legislation on the last full day of this Congress, so we can then take that step and then work this coming year in the new Congress on further reforms.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. UDALL of New Mexico). Without objection, it is so ordered.

CHALLENGE TO FUTURE CONGRESSES

Mr. CONRAD. Mr. President, I thank my colleagues. These will be my final remarks to the Senate, and I thought I would share with my colleagues my observations on what has just occurred to put in perspective where I believe we are and where we are headed and to lay down a challenge for my colleagues as I depart. A very significant challenge remains for the Congress and the country, and I hope very much that we find the courage to take on these challenges. It is incredibly important to the future strength of our Nation, and we can do it. We have done much tougher things in the past, and we can certainly take on these challenges.

On New Year's Eve we were called into session and were briefed by the Vice President and other staff from the White House with respect to the deal that was before us. I told our colleagues on that night that I believed we had to support the proposal before us because to fail to do so would send us back into a recession. Most economists said the economy would shrink 4 percent in the first quarter, 2 percent in the second quarter, that 1 million more people would be unemployed, and that the 2 million people now on unemployment insurance would lose that and would have no safety net. So, Mr. President, I saw no alternative but to support this agreement.

At the same time, I told my colleagues: I hate this agreement. I hate it with every fiber of my being because this is not the grand bargain I had hoped for and worked for and believe is so necessary to the future of the country. This is not, by any standard, a deficit reduction plan. As necessary as it is, no one should be misled that this deals with our deficit and debt because it only makes our debt circumstance worse.

Now, some question that assessment, but that is precisely the assessment the Congressional Budget Office has come to. I would like to take just a few moments to put in perspective where we are.

The United States is borrowing 31 cents of every dollar it spends. That is an unsustainable circumstance. It is an improvement somewhat because we were borrowing 40 cents of every dollar we spend. So there has been some modest improvement. But, this cannot go on. It has to be addressed or we will weaken the Nation.

This chart puts in perspective the spending and revenue of the United States going back to 1950. Looking back 60 years, the red line is the spending line, and the green line is the revenue line. You can see our spending is close to a 60-year high. We are not quite at a 60-year high because there has been some improvement in the last 2 years. We are close to a 60-year low on revenue. So our colleagues who say this is just a spending problem are missing the point. This is a problem of the relationship between spending and revenue. The gap—much higher spending than we have revenue—is what leads to deficits and leads to additions to the debt.

The path we are on, we are told by the Congressional Budget Office, will take us from a gross debt of 104 percent of our gross domestic product today to 115 percent by 2022 if we fail to act. So further action is absolutely essential.

Why? Why does it matter if our gross debt is more than 100 percent of our gross domestic product? Well, because the best work that has been done on this question—by Rogoff and Reinhart—concluded, after looking at 200 years of economic history, the following. I quote from their study:

We examine the experience of 44 countries spanning up to two centuries of data on central government debt, inflation and growth. Our main finding is that across both advanced countries and emerging markets, high debt/GDP levels (90 percent and above) are associated with notably lower growth outcomes.

To sum it up, Mr. President, when we have a gross debt of more than 90 percent of our GDP, we are headed down a path that dramatically reduces our future economic growth. That means we are reducing future economic opportunity for the people of our country. That is why this matters, because it will retard and restrict economic growth for our people.

Here is what the Congressional Budget Office tells us about the long-term path we are on, in terms of debt held by the public. CBO tells us we are headed for a circumstance where publicly held debt will be 200 percent of our GDP.

So, we are on a course that is utterly unsustainable.

If we look at what has been done—because those who say nothing has been done are not giving the full story either—the fact is we passed a Budget Control Act in place of a budget. We put in place a law in place of a budget resolution. That budget law dropped discretionary spending to historic lows. We were at—in the year 2012—8.3 percent of GDP going to domestic spending. The Budget Control Act, the law that was passed, will take that down to 5.3 percent of GDP going for discretionary spending. That is a historic low.

So when someone says nothing has been done, that is not accurate. We cut domestic spending, and cut it in a very significant way. We cut it to a level